



Dr. Gail M. Morrison
Interim Executive Director

August 25, 2006

The Honorable Marshall C. Sanford, Governor
State of South Carolina
PO Box 11829
Columbia, South Carolina 29211

Re: FY2007-08 Budget Request for Public Higher Education Institutions

Dear Governor Sanford:

In keeping with the Governor's Executive Budget Request, we have enclosed the **FY2007-08 Budget Priorities for the public higher education institutions**. This information reflects the total of the Commission's requests on behalf of the institutions and is contingent upon approval of the Commission's board at the September meeting. The Commission has submitted the agency request under a different cover.

Please phone me or Lynn Metcalf at 737-2263 with any questions you may have.

Sincerely,

Gail M. Morrison

Enclosure

Cc: Julie Carullo, Acting Deputy Director and Director of Governmental Affairs
Lynn Metcalf, Director of Finance, Facilities and MIS
Jeff Richards, Director of Operations

FISCAL YEAR 2007-08 BUDGET PLAN

I. EXECUTIVE SUMMARY

A. Agency Section/Code/Name: H03-H59/Public Institutions of Higher Education

B. Statewide Mission: The Commission on Higher Education (CHE) serves as South Carolina's coordinating board for the state's 33 public postsecondary institutions. The Commission has a dual role within state government, acting both as an advocate for higher education as well as an oversight entity on behalf of the General Assembly. The South Carolina Commission on Higher Education promotes quality and efficiency in the state system of higher education with the goal of fostering economic growth and human development in South Carolina. The Commission's values include: the importance of quality higher education; accessibility of higher education to the citizens of the state; accountability of the institutions to their students, the General Assembly and the State's taxpayers; excellence on the part of CHE's staff in performing its functions; and excellence on the part of the institutions in providing education opportunities.

C. Summary Description of Strategic or Long-Term Goals:

The South Carolina Commission on Higher Education's goals are enumerated in the Agency Accountability Report (2005-06 to be submitted in September, page 2 and sections I.3 and III.2). Key among the goals in light of the CHE's FY 2007-08 budget request are the following:

(1) to ensure effective and efficient delivery of services; (2) to ensure quality and diversity of academic programs and educational services in South Carolina; (3) to ensure access to and quality of educational opportunities among underrepresented groups in higher education in SC; (4) to expand postsecondary educational opportunities for South Carolinians; (5) to present the needs and develop support for appropriate funding of public colleges and universities and to address strategic issues in public and private higher education as they are identified; and (6) to make South Carolina a global leader by fostering higher education's role in economic growth and human development.

In addressing these goals, the Commission makes recommendations on the following programs:

- a) Institutional Operating Funds for Quality Outcomes
- b) Statewide Electronic Library
- c) Lottery Funding for Higher Education
- d) SC LightRail
- e) SC Manufacturing Extension Partnership Matching Funds
- f) University Center of Greenville Operating Funds
- g) Greenville Technical College Debt Service
- h) Experimental Program to Stimulate Competitive Research (EPSCoR) & Institutional Development Awards Matching funds
- i) Institutional Special (Below-the-Line) Items

Detailed descriptions of these items are provided in Section II of this request.

D.

Summary of Operating Budget Priorities for FY 2007-08:		FUNDING								
		State Non-Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Priority No.: 1	Title: Institutional Operating Funds	0	\$45,000,000* \$30,517,840*	0	0	\$45,000,000 \$30,517,840	0	0	0	0.00
Strategic Goal No. HE Goal 1a in Item C Above; Activity Number N/A										
Priority No.: 2	Title: Statewide Electronic Library	0	\$2,000,000	0	0	\$2,000,000	0	0	0	0.00
Strategic Goal No. HE Goal 1b in Item C Above; Activity Number 307, Electronic Library										
Priority No.: 3	Title: Lottery Funding for Higher Education				241,900,000	\$241,900,000				
Strategic Goal No. HE Goal 1c in Item C Above; Activity Number										
Priority No.: 4	Title: SC LightRail	\$4,500,000				\$4,500,000				
Strategic Goal No. HE Goal 1d in Item C Above; Activity Number: New										
Priority No.: 5	Title: SC Mfg. Extension Partnership (SCMEP)		\$1,200,000			\$1,200,000				
Strategic Goal No. HE Goal 1e in Item C Above; Activity Number 289, SCMEP										

Summary of Operating Budget Priorities for FY 2007-08:		FUNDING								
		State Non-Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Priority No.: 6	Title: Univ. Center of Greenville Operating		\$1,123,000			\$1,123,000				
Strategic Goal No. HE Goal 1f in Item C Above; Activity Number 283, UCG Operations										
Priority No.: 7	Title: Greenville Technical College Debt Service		\$646,172			\$646,172				
Strategic Goal No. HE Goal 1g in Item C Above; Activity Number 281, Greenville TC – Univ. Center										
Priority No.: 8	Title: Experimental Pgm. to Stimulate Compet. Res. & Inst. Development Awards (EPSCoR)		\$1,057,464			\$1,057,464				
Strategic Goal No. HE Goal 1h in Item C Above; Activity Number 303, EPSCoR										

Summary of Operating Budget Priorities for FY 2007-08:		FUNDING								
		State Non-Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Priority No.: 9	Title: Institutional Special Projects (“Below-the-Line” items)		\$4,840,509			\$4,840,509				
Strategic Goal No. HE Goal 1i in Item C Above; Activity Number:										
TOTAL OF ALL PRIORITIES		4,500,000	\$86,384,985	\$ 0	\$241,900,000	\$332,784,985	0.00	0.00	0.00	0.00

*The Commission also supports the institutions’ request for moving \$30,517,840 in nonrecurring funds appropriated for recurring operations to recurring.

E. Agency Recurring Base Appropriation:

State \$687,091,227 (estimated pending final pay & health incr. from B&CB)
Federal\$
Other \$

This includes \$683,825,755 in operating Appropriations (estimated 2006-07 pay increases), \$2,820,644 in institutional special line-item funding; and \$444,828 in academic endowment funds.

F. Efficiency Measures: The colleges and universities operate under the Baldrige accountability criteria as required by the state. In addition, the Commission continues to monitor Performance Funding data to ensure institutions continue to perform at a level of achieves or higher. On behalf of the institutions, CHE submits a review of institutional assessment activities to ensure accountability and quality programs. The report entitled *A Closer Look at Public Higher Education: Institutional Effectiveness, Accountability and Performance* is submitted to the General Assembly each January for accountability purposes. Information is available on the Commission’s website. The Commission and the institutions continue to work together to ensure the system of higher education is effectively contributing to the needs of the state and its citizens. The Commission, along with the institutions, continues to work to ensure adequacy and equity in funding for public higher education institutions.

G. The Commission on Higher Education has the responsibility for reviewing and recommending capital budget priorities for the state colleges and universities. Attachment 2 lists institutional capital projects ranked in statewide priority order.

II. DETAILED JUSTIFICATION FOR FY 2007-08 OPERATING BUDGET PRIORITIES

A. Agency Section/Code/Name: **H03 – H59/ Public Institutions of Higher Education**

B. Priority No. __1__ of __9__

C. (1) Title: Investment in Quality Outcomes – Institutional Operating Funds

(2) Summary Description: This request is for increased operating funds for the colleges and universities to provide instruction and services for quality outcomes.

(3) Strategic Goal/Action Plan (*if applicable*): This funding supports the goal of presenting the needs and developing support for appropriate funding of public colleges and universities and the goal of the higher education community to address funding inequities that have resulted across institutions in regard to the levels of state funding to estimated institutional need. The request is for \$45,000,000 in new recurring funds and support for moving \$30,517,840 in nonrecurring funds received in 2006-07 for operations to recurring in 2007-08.

D. Budget Program Number and Name: **N/A**

E. Agency Activity Number and Name: **N/A**

F. Detailed Justification for Funding:

(1) Justification for Funding Increase: Higher Education's greatest need is for increases in operating funds to pay for full-time faculty and to reduce dependency on tuition and fees to replace declining state operating appropriations. One of the direct results of the budget reductions in recent years has been a corresponding increase in tuition levels across all sectors of institutions. Institutions have reduced programs, implemented efficiencies, and eliminated unnecessary expenditures. Further, institutions have been held accountable for the past nine years through performance measures and standards which are monitored annually. The reductions in state operating appropriations since 2000 have made it difficult for institutions to maintain quality programs and services. Along with the decline in state appropriations, the TERI program has escalated the loss of faculty at all institutions. A large number of the faculty must be replaced in order to maintain appropriate student/faculty ratios for accreditation. Additionally, the reductions in operating funds have resulted in institutions depending heavily on part-time faculty. For the benefit of the students, additional funds are needed to attract and maintain quality full-time faculty. Some funding for full-time faculty was provided in 2006-07 which allowed the institutions to begin addressing the loss of faculty and to keep tuition increases at a modest level for fall 2006. While the higher education community recognizes the fiscal constraints of the state's economy, there remains a significant need for increases in higher education operational funding. The Commission also supports moving \$30,517,840* in nonrecurring funds received in 2006-07 for operations to recurring funds in 2007-08. Additional operating funds will assist in reducing the need for further tuition increases. As a related issue, disparity in funding levels has evolved that is not related to institutional performance or accountability for state resources. The requested funds would be used to address a portion of the current disparity provided institutions continue to maintain acceptable performance levels.

FY 2007-08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses		\$45,000,000*			\$45,000,000
Move to Recurring		\$30,517,840*			\$30,517,840
Total	\$ 0	\$75,517,840*	\$ 0	\$ 0	\$75,517,840
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

*The Commission requests \$45,000,000 in additional recurring funds to begin restoration of the institutions' appropriations to the 2000-2001 funding level, and supports the institutions' request for \$30,517,840 in nonrecurring funds to be moved to recurring.

(3) Base Appropriation:

State	\$ 687,091,227**
Federal	\$
Other	\$

**FY06-07 estimated base appropriation for higher education institutions' includes \$683,825,755 operating appropriations; \$2,820,644 in institutional special line-items; and \$444,828 in Academic Endowment Funds. Federal and other funds are not provided here.

(4) Is this priority associated with a Capital Budget Priority? No If yes, state Capital Budget Priority Number and Project Name: _____

G. Detailed Justification for FTEs

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State _____
Federal _____
Other _____

Agency-wide Vacant FTEs as of July 31, 2006: _____

% Vacant _____%

H. Other Comments: See institutions' budget requests for applicable information.

A. Agency Section/Code/Name: **H03 – H59/ Public Institutions of Higher Education**

B. Priority No. 2 of 9

C. (1) Title: Statewide Higher Education Electronic Library

(2) Summary Description: The Statewide Electronic Library is a cooperative and collaborative effort among our public and private higher education libraries that is transforming how our state's citizens access vital academic information. It is a data network that connects SC's 58 public and private higher education libraries to allow even the smallest library access to the millions of volumes held by all higher education libraries in the State. It is an enhanced and more cost-effective means of sharing academic collections statewide. Through SC's Higher Education Libraries, 212,000+ post-secondary students, faculty, and researchers will benefit from expanded access to sophisticated academic resources. Others in the state will benefit by gaining access to the higher education academic resources through the State and public libraries. The program helps the State avoid duplicated expenditures by enabling a mechanism for group purchases at better prices of essential sophisticated electronic academic databases that will be available to all of SC's higher education libraries.

(3) Strategic Goal/Action Plan (*if applicable*): This funding supports the goal of presenting the needs and developing support for appropriate funding of public colleges and universities and supports higher education's goal for increased collaboration and cooperation to ensure the effective and efficient delivery of higher education services.

D. Budget Program Name and Number: **Statewide Electronic Library 98160000**

E. Agency Activity: **307, Electronic Library**

F. Detailed Justification for Funding

(1) Justification for Funding Increase: The Electronic Library is an efficient and effective way to equalize access to new resources statewide and level the playing field for smaller higher education institutions while helping larger institutions fill expensive research gaps by expanding access in core areas. The project enables extremely cost-effective collection sharing by electronically connecting 58 public and private higher education libraries and the State Library in a catalog and delivery system. The following is just one example of the cost savings possible through the cooperative agreement: the first two licenses will cost \$3.8 million over five years but would cost \$30.8 million if licensed individually – an eight-fold multiplication of investment. Additionally, comparisons with other states indicate this effort will reduce inter-library loan unit costs by 10 times and increase service by a comparable amount.

The library benefits the state by exponentially raising the quantity and quality of academic library resources available to the state's 212,000+ students, faculty, and researchers; including 16,000 electronic full-text periodicals (and growing) and a virtual collection of 12 million volumes. It promotes institutional collaboration (public/private, two-year/four-year), avoids duplicated expenditures, and leverages materials, institutional spending, and capacity. Since January 2006, nine new databases have been licensed (21 total), adding thousands of new full-text journals to a virtual collection made available at all public and private colleges and universities in the state via the internet.

Union catalog-based materials delivery is starting in fall 2006. By December 2006, 17 institutions will be fully operational. Delivery for all institutions is anticipated by September 2007. The library enhances development of the state's knowledge infrastructure – crucial for competing in today's knowledge-based economy – by expanding availability and access to state-of-the-art information at reduced costs, and reduces the gap between SC and surrounding states. The library provides easy access to resources by other citizens through collective collaboration, program development, and direct “walk-in” use of academic libraries.

The project was funded initially in FY 2004-2005 with \$2 million in nonrecurring funds and has been funded each year since with nonrecurring funds. The Commission and the Institutions seek recurring funds for this project to ensure continued success of the electronic library. Recurring funding allows continued central licensing of essential electronic academic journals and related databases that are available to all of SC's public and private higher education libraries. Additionally, annual license fees for these electronic research sources require continued funding to sustain benefits.

(2)

FY 2005-06 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*	0	0	0	0	0.00
(b) Salary	0	0	0	0	\$0
(c) Fringe Benefits	0	0	0	0	\$0
	0	0	0	0	0
Program/Case Services	0	0	0	0	\$ 0
Pass-Through Funds	0	0	0	0	\$ 0
Other Operating Expenses	0	\$2,000,000	0	0	\$2,000,000
	0	0	0	0	\$ 0
Total	\$ 0	\$2,000,000	\$ 0	\$ 0	\$2,000,000

A. Agency Section/Code/Name: **H03 – H59/ Public Institutions of Higher Education**

B. Priority No. _3_ of _4_

C. (1) Title: Lottery Funded Programs

(2) Summary Description: SC CHE supports on behalf of higher education continued and increased funding as outlined in the table provided for higher education programs that receive all or a portion of their funding from lottery proceeds (see table on page 8 for details of Lottery Requests).

(3) Strategic Goal/Action Plan (*if applicable*): Lottery programs support higher education statewide goals to expand postsecondary educational opportunities for South Carolinians; to address strategic needs of public and private higher education as identified; and to make SC a global leader by fostering higher education's role in economic growth and human development.

D. Budget Program Name and Number: N/A

E. Agency Activity: N/A

F. Detailed Justification for Funding:

(1) Justification for Funding Increase: Lottery funds currently provide funding for a variety of programs including scholarships and grants, Research Centers of Economic Excellence, and technology. The Commission is requesting continued funding of the programs funded in 2006-07 due to their successes in their respective areas. Scholarships and grants are providing incentives and support for deserving students pursuing post-secondary education. The Research Centers of Economic Excellence program is investing in long term research and economic development activities designed to promote the expansion of the state's economy. Technology funds are ensuring higher education can provide for up-to-date technology, which is critical in providing quality programs and services. Additional information on these programs is available in the CHE accountability report for 2005-06 (to be submitted in September). In addition to continued funding, CHE, on behalf of higher education, requests increased funding for two programs including:

a.) Increase of \$10,000,000 in Funding for Need-based Grants: In addition to requesting continued funding for existing programs and sufficient support to enable full funding of the scholarship programs, there exist additional needs for the Need-based Grant program. First, the Commission has a long-standing position of pursuing increases in Need-based Grant funds. Due to the rise in merit-based scholarship programs, there is a significant imbalance between merit- and need-based student aid programs. The Commission strives to ensure affordable education for our state's neediest students and increased need-based aid funding is critical to ensure higher education opportunities for qualified students who might not otherwise be able to participate. Based on institutional data, there are unmet needs in excess of \$10 million for this program. CHE notes that this was the only scholarship or grant program that was not increased in 2006-07. Each of the merit programs received increases to support growth as did the Tuition Grant Program which provides need-based grants for students in independent institutions.

Additional data illustrating the balance of the merit- and need-based programs are available in the Business Results section of CHE's accountability report.

b.) Restored funding of \$1,500,000 for the Teaching Scholarship Grants Program: With enactment of the SC Education Lottery Act in 2001, the General Assembly authorized in section 59-150-380 a tuition aid or grant program for teachers who hold a professional certificate and teach in SC's public schools. The program provided grants not to exceed \$1,000 per year to teachers in the state who attended the state's public or independent colleges and universities for the purposes of upgrading existing core content area skills or obtaining a master's degree in the teacher's core content. Should program funds not be sufficient to meet demand, the legislation (59-150-380) directed priority for those classroom teachers (i.e., not administrators, counselors, media specialists, or other support personnel) whose teaching areas were critical-need subject areas as defined by the State Board of Education. The program was funded with \$2,000,000 in each of the fiscal years 2002-03, 2003-04, and 2004-05. Funds were not provided in 2005-2006 or 2006-07. Remaining funds will be exhausted this year and, as a result of carry forward funds no longer being available, the program has closed effective June 20, 2006, and applications are no longer being accepted. At the time the program closed, there had been an upward trend in the number of grants awarded. Because of the benefit derived from having teachers advance their knowledge and skills, the CHE, on behalf of the State's teachers, requests restored funding for the program in the amount of \$1,500,000 to continue appropriate administrative support for the program and provide grants to deserving teachers who are seeking to enhance their training. CHE is also seeking a proviso for FY 2007-08 that will expand program eligibility to other school personnel seeking graduate courses or programs, such as librarians, counselors or principals, who are also in increasingly short supply. This proviso request has been submitted under part IV of CHE's budget request.

Summary of Lottery Appropriations and FY 2007-08 Requests

The following table outlines the higher education lottery projects funded in 2006-07.

In FY 2007-08, the Commission is requesting continued funding of the higher education lottery projects with increases as indicated.

Higher Education Lottery Funded Program in 2005-06	Level of 2006-07 Funding	2007-08 Request	
<i>Scholarship and Loan Programs</i>			
*Palmetto Fellows	\$17,830,758	\$17,830,758	<i>Note: Palmetto Fellows and LIFE also receive State Recurring Funds and are "open-ended" programs in that state funds are guaranteed for qualified students. The anticipated increases for FY2008 are not estimated here. An estimate is pending based on additional information on year end activity.</i>
*LIFE Scholarship	\$87,911,636	\$87,911,636	
SC HOPE	\$7,144,909	\$7,144,909	<i>Increases have been provided in past years based on growth in enrollment and that projected increase for FY 2008 is not estimated here. An estimate is pending based on additional information in year end activity.</i>
Tuition Assistance, Technical Colleges and 2-Year	\$47,600,000	\$47,600,000	
*Need Based Grants	\$11,246,093	\$21,246,093	Increase of \$10,000,000
*Tuition Grants	\$7,766,604	\$7,766,604	
National Guard Loan Repayment Program	\$1,700,000	\$1,700,000	
Teaching Scholarship Grants	\$0	\$1,500,000	Restored funding of \$1,500,000
Research Centers of Economic Excellence (Endowed Chairs)	\$30,000,000	\$30,000,000	
Technology: SC Public 4- and 2-year Institutions	\$12,000,000	\$12,000,000	
*SC State University	\$2,500,000	\$2,500,000	
Higher Education Excellence Enhancement Program	\$4,700,000	\$4,700,000	
TOTAL	\$230,400,000	\$241,900,000	Total increase of \$11,500,000

* These programs also receive general funds.

A. Agency/Section/Code/Name **H03 – H59/ Public Institutions of Higher Education**

B. Priority No. 4 of 9

C. (1) Title: **South Carolina LightRail**

(2) Summary Description: The SC LightRail is a collaborative project by Clemson University, the Medical University of South Carolina, the University of South Carolina and the Hospital Health Sciences SC (HSSC) partners (Palmetto Health, Greenville Hospital System, and Spartanburg Regional Healthcare System), and the SC Research Authority (SCRA). In addition, industry research entities and additional universities and technical colleges and research institutes will be encouraged to join. The project will provide an ultra-high-speed, ultra-high-bandwidth network and applications service which will unite universities, hospitals, research-based institutions, and corporate research business units. The project will allow the state to connect to the National Lambda Rail¹ Network and thereby providing access to nationwide supercomputing and research application resources across the US.

(3) Strategic Goal/Action Plan (*if applicable*): This program supports higher education's goals to make South Carolina a global leader by fostering higher education's role in economic growth and human development and to address strategic issues in public and private higher education as they are identified.

D. Budget Program Name and Number: **New**

E. Agency Activity: **New**

F. Detailed Justification for Funding: This special initiative is to develop the information technology (IT) infrastructure for an ultra-high-speed, ultra-high-bandwidth network advanced fiber optic network to interconnect universities, research institutions, and hospitals to enhance instruction, research, and public service. The network will also link in-state research entities with the National Lambda Rail through the SC Light Rail/National Lambda Rail Connection (SC/LRC) Initiative and thereby provide nationwide access to supercomputing and research application resources across the US. SC is one of only nine states which do not possess the equivalency of the SC Light Rail/National Lambda Rail Connection. Deploying the SC/LRC significantly improves SC's competitiveness in creating, recruiting, and retaining knowledge-economy assets ranging from new endowed chairs to new technology companies.

¹ National Lambda Rail (NLR) is a major initiative of US research universities, regional networking organizations, and private sector technology companies providing a state-of-the-art national scale networking infrastructure. NLR exists both to serve "big science" and other discipline-based research initiatives in advancing knowledge and understanding and to support network research in developing new networking technologies and capabilities. The NLR 11,000 mile nationwide infrastructure, already fully operational, enables the simultaneous deployment of multiple networks for experimental and production purposes.

Objectives of the SC LightRail are:

- To create a collaboration among universities, industry, and research institutes to strengthen the scientific and technical capabilities of the state to grow the knowledge economy and encourage research and learning;
- To connect South Carolina to the National Lambda Rail and provide access to supercomputing centers and national laboratories;
- To interconnect universities, research institutes, and industry to enhance collaboration in support of instruction, research, health sciences and public service;
- To create an advanced fiber optic network dedicated to research and to span the state of South Carolina providing and securing high performance, scalability, and high reliability through a diverse route infrastructure;
- To provide high bandwidth connectivity and facilitate access to advanced voice, video and data services;
- To provide bandwidth to enhance distance and distributed learning and educational programs for the citizens of the state.

This request is for initial IT infrastructure which needs to be in place prior to implementation. Each of the three research institutions is requesting \$1.5 million which will provide \$4.5 of the \$6 million needed for Stage I implementation, which connects the three research universities to each other and to the Lambda Rail. The HSSC hospital partners will provide the remaining balance of \$1.5 million. Subsequent stages will connect the other public and private institutions to the LightRail and business and industry as funds become available.

According to the SCRA, fully deploying the SC/LRC will take about two and a half years. Estimates for total implementation range from \$11 million to \$30 million and are still under discussion. Annual operating costs are estimated to be about \$3 - \$4 million. An initial phase for in-state connections can be deployed in a matter of months and the costs can be shared between network users and some costs efficiencies can be achieved among the user base through SC/LRC.

(1) Justification for Funding Increase:

FY 2007-08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses	\$4,500,000				\$4,500,000
Total	\$4,500,000		\$ 0	\$ 0	\$4,500,000

A. Agency/Section/Code/Name **H03 – H59/ Public Institutions of Higher Education**

B. Priority No. _5_ of _9_

C. (1) Title: **SC Manufacturing Extension Partnership (SCMEP)**

(2) Summary Description: SCMEP is a network of manufacturing specialists who offer specific expertise in operations, marketing, plant layout and design, environmental, health and safety standards, and energy use. SCMEP works with small- to mid-size manufacturing companies to assist them in becoming more productive and competitive.

(3) Strategic Goal/Action Plan (*if applicable*): This program supports higher education's goal to make South Carolina a global leader by fostering higher education's role in economic growth and human development.

D. Budget Program Name and Number: **SC Manufacturing Extension 05100000**

E. Agency Activity: **289, SC Manufacturing Extension Partnership**

F. Detailed Justification for Funding: State funds allow the SCMEP to contract with institutions of higher education in SC to provide some services they are uniquely suited to offer manufacturers. Education partners include the Center for Manufacturing and Technology (CMAT) at USC, Clemson, and the technical colleges. In addition, the agency receives support from the National Institute of Standards and Technology (NIST). The program enables new technology, theories and innovation to transfer from the university and continuing education programs onto the manufacturing floors of the state's small companies. SCMEP has received state matching funds previously. However, in recent years, \$1.2 million of the matching funds have been nonrecurring. This request is to move the \$1.2 million state match back to recurring funds.

(1) Justification for Funding Increase:

FY 2007-08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0

FY 2007-08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Other Operating Expenses		\$1,200,000			\$1,200,000
Total	\$ 0	\$1,200,000	\$ 0	\$ 0	\$1,200,000
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

A. Agency/Section/Code/Name: **H03 – H59/ Public Institutions of Higher Education**

B. Priority No. 6 of 9

C. (1) Title: **University Center of Greenville (UCG) – Restoration of Operating Funds**

(2) Summary Description: The UCG was established in 1987 and operates in Greenville, SC. It is a consortium of seven institutions that operates to service the needs of working professionals who want to pursue a four-year or graduate degree in Greenville. This request is for the restoration of \$373,000 in operating funds lost in the budget cuts since 2000 and for restoration of \$750,000 for program development and technology in recurring funds.

(3) Strategic Goal/Action Plan (*if applicable*): This program supports higher education’s goal for increased collaboration and cooperation to ensure the effective and efficient delivery of higher education services.

D. Budget Program Name and Number: **Greenville University Center 01080000**

E. Agency Activity: **283, University Center of Greenville Operations**

F. Detailed Justification for Funding: UCG is a unique outreach consortium providing access to higher education for non-traditional students in Greater Greenville through coordinated shared resources supporting seven universities (Clemson, Furman, Lander, MUSC, SC State, USC Columbia, and USC Upstate). Programming includes 22 bachelor and 36 graduate degree programs. Center functions include shared staff; technology-based library access to member campuses; technical support for “smart classrooms” and “distance education classrooms”; outreach to increase awareness of Center offerings; program coordination and scheduling; Center oversight (Board of Directors), and community engagement (Board of Visitors). Reductions in state appropriations since 2000 have reduced UCG’s operating support from \$800,000 to \$427,000, requiring UCG to increase assessments to participating universities. Restoration of \$373,000 in operating appropriations will allow member institutions to use their funds for program support and development.

For the past several years, UCG has received nonrecurring funds of \$800,000 to provide technology updates and outreach services. The nonrecurring funding was not renewed in 2006-07. The Center is requesting restoration of \$750,000 of these funds as recurring. UCG serves adult, non-traditional students through shared facilities and technology and through coordinated programming (over 600 courses annually) from seven South Carolina universities. Center-delivered courses are offered in real time formats – both face-to-face and distance education. The Board of Directors (university provosts) is currently developing a five-year plan for significantly increasing the number of students served and the number of courses offered through the Center. At the same time, the adult student cohort tends to be highly decentralized and in need of special advising and orientation. Recurring support will enable collaborative, systematic assessment of programming needs and the impact of the Center in the community; allow for the expansion of the outreach services attracting and advising potential students; and allow the center to expand and maintain state-of-the-art technology in support of instruction (“smart classrooms,” receive classrooms, distance education classrooms, and electronic library access).

(1) Justification for Funding Increase:

FY 2007-08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses	\$	\$1,123,000			\$ 1,123,000
Total	\$	\$1,123,000	\$ 0	\$ 0	\$1,123,000
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

A. Agency/Section/Code/Name

B. Priority No. __7__ of __9__

C. (1) Title: **Greenville Technical College Restoration of Debt Service Funds**

(2) Summary Description: By state agreement, the University Center of Greenville is housed at the McAlister Square Mall which is owned by Greenville Technical College (TC). The state appropriates funds to Greenville TC for payment of the debt service on McAlister Square. Reductions in state appropriations since 2000 have reduced the amount of state appropriations available for the debt service and maintenance payment from \$1,733,963 to \$1,087,791, a shortfall of \$646,172. Greenville TC is requesting restoration of the shortfall.

(3) Strategic Goal/Action Plan (*if applicable*): This program supports higher education's goal for increased collaboration and cooperation to ensure the effective and efficient delivery of higher education services.

D. Budget Program Name and Number: **Greenville Tech - University Center 01060000**

E. Agency Activity: **281, Greenville Technical College – University Center**

F. Detailed Justification for Funding: Greenville TC took out certification of participation (COP) notes to finance the purchase of the mall to house the UGC. The original intent was for the state to fund the debt payments to purchase the mall and appropriate the funds to Greenville TC in lieu of payments for the \$1,733,963 operating expenses and rent for UGC. Budget reductions since 2000 have reduced the appropriation to \$1,087,791, a shortfall of \$646,172. The request is to restore the appropriation to the full amount of the rent and maintenance as agreed.

(1) Justification for Funding Increase:

FY 2007-08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0

FY 2007-08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Other Operating Expenses		\$646,172			\$646,172
Total		\$646,172	\$ 0	\$ 0	\$646,172
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

A. Agency/Section/Code/Name: **H03 – H59/ Public Institutions of Higher Education**

B. Priority No. 8 of 9

C. (1) Title: **Experimental Program to Stimulate Competitive Research (EPSCoR) & Institutional Development Awards**

(2) Summary Description: EPSCoR is a merit-based federal/state/institutional partnership designed to build South Carolina's research infrastructure. The request is made jointly by Clemson, USC, and MUSC.

(3) Strategic Goal/Action Plan (*if applicable*): This program supports higher education's goals for increased collaboration and cooperation to ensure the effective and efficient delivery of higher education services and to make SC a global leader by fostering higher education's role in economic growth and human development.

D. Budget Program Name and Number: **EPSCOR 96140000**

E. Agency Activity: **303, Experimental Program to Stimulate Competitive Research (EPSCoR)**

F. Detailed Justification for Funding: EPSCoR's return on investment ratio is approximately 17:1. The current \$104 million in active SC awards resulted from \$6 million in non-federal commitments. EPSCoR awards for 2005-06 required approximately \$2.8 million in non-federal commitments. As SC institutions become more competitive for federal research funds, the required non-federal commitments increase. The recent rapid growth in competitiveness for federal research dollars at Clemson, MUSC, USC, SC State, College of Charleston, Winthrop and Francis Marion requires an additional \$1,057,464 in state funds to meet the non-federal cost-sharing obligations for these awards for FY 2007-08.

(1) Justification for Funding Increase:

FY 2007-08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses		\$1,057,464			\$1,057,464

Total		\$1,057,464	\$ 0	\$ 0	\$1,057,464
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A. Agency/Section/Code/Name: **H03 – H59/ Public Institutions of Higher Education**

B. Priority No. __9_ of _9__

C. (1) Title: **Institutional Special Projects (“Below-the-Line” items)**

(2) Summary Description: Each year, the Commission assists the General Assembly by serving as a central clearinghouse for budget requests for institutional special (Below-the-Line) projects.

(3) Strategic Goal/Action Plan *(if applicable)*:

D. Budget Program Name and Number: **N/A**

E. Agency Activity: **N/A**

F. Detailed Justification for Funding: See Attachment 1 for recommendations for these projects for 2007-08.

(1) Justification for Funding Increase:

FY 2007-08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses		\$4,840,509			\$4,840,509
Total		\$4,840,509	\$ 0	\$ 0	\$4,840,509
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

Name of Request	Brief Description	2006 - 07 Appropriation			2007-08 Recommendation			Eligibility Based on CHE Criteria
		Recurring	Non-Recurring	Total 2006-07	Recommended Move Non-Recurring to Recurring	Recommended Recurring Increase	Total	
Clemson		[1]	[2]	[3]	[5]	[6]	[7]	
Call Me Mister	Travel, tuition assistance, and books and supplies	-	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	-	\$ 1,300,000	<u>Continuing BTL Project Approved.</u> Recommend request to move funding to recurring funds.
Center for Optical Materials Science & Engineering Technologies	Other Personnel, Equipment, Program Support	\$ 106,000	\$ 900,000	\$ 1,006,000	\$ 900,000	-	\$ 900,000	<u>Continuing BTL Project Approved.</u> Recommend request to move funding to recurring funds.
University of South Carolina Columbia								
Palmetto Poison Center	Faculty, other personnel, and operating expenses	0	\$ 200,000	\$ 200,000	\$ 200,000	\$ 50,000	\$ 250,000	<u>Continuing BTL Project Approved.</u> Recommend request to move funding to recurring funds and add \$50,000.
Small Business Development Center	Other personnel and operating expenses	\$ 686,534	\$ 250,000	\$ 936,534	\$ 250,000	-	\$ 250,000	<u>Continuing BTL Project Approved.</u> Recommend request to move funding to recurring funds.
USC Columbia Technology Incubator	Director, other personnel, and operating expenses	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	-	\$ 200,000	<u>Continuing BTL Project Approved.</u> Recommend continuation of recurring appropriation.
Medical University of South Carolina								
Hypertension Initiative	Faculty and other personnel	0	0	0	\$ -	\$ 512,471	\$ 512,471	<u>Continuing BTL Request Approved.</u> Statewide Initiative.
South Carolina State University								
SC Alliance for Minority Participation (SCAMP)	Other Personnel	\$ 320,327		\$ 320,327	\$ -	\$ 679,673	\$ 679,673	<u>Continuing BTL Project Approved.</u> Recommend additional funding of \$679,673 to return funding to previous level.
University Transportation Center	Faculty, other personnel, and operating expenses	\$ 122,612	\$ 748,365	\$ 870,977	\$ 748,365	-	\$ 748,365	<u>Continuing BTL Project Approved.</u> Recommend request to move funding to recurring funds.
	Totals	\$ 1,235,473	\$ 3,598,365	\$ 4,833,838	\$ 3,598,365	\$ 1,242,144	\$ 4,840,509	

Statewide Ranking of Institutions' Priority One Capital Requests for 2007-08

<u>Rank</u>	<u>Institution</u>	<u>Project Name</u>	<u>Project Type</u>	<u>CIB Funds Requested</u>	<u>Actual Total Points</u>
1	Medical University of South Carolina	College of Dental Medicine	Renovation	\$ 29,700,000	197.48
2	USC - Columbia	School of Law New Building Construction	Replacement Building	\$ 20,000,000	194.65
3	College of Charleston	Expansion & Renovation of Science Facilities	Renovation	\$ 52,300,000	190.48
4	USC - Sumter	Instructional Laboratories Building Construction	Replacement Building	\$ 11,825,000	167.65
5	USC - Upstate	Information Resource Center Construction	Renovation/Replacement	\$ 16,800,000	164.16
6	Aiken Technical College	Industrial Technology Building	Replacement Building	\$ 9,037,493	163.49
7	Midlands Technical College	Engineering Laboratory/Classroom Building - Northeast Campus	Replacement Building	\$ 15,200,000	160.16
8	South Carolina State University	Whittaker Library Expansion/Renovations	Renovation/New Construction	\$ 20,000,000	156.82
9	The Citadel	Capers Hall Replacement	Renovation/Replacement	\$ 26,500,000	154.49
10	Piedmont Technical College	PTC Business/Industrial Technology Center Renovations (A,B,E,F,G)	Renovation	\$ 8,917,440	154.16
11	Clemson University	Air Quality Deficiencies & Critical Deferred Maintenance	Deferred Maintenance	\$ 10,000,000	153.16
12	Trident Technical College	Nursing Building	New Construction	\$ 6,220,000	152.16
13	Winthrop University	Library Construction	New Construction	\$ 35,000,000	150.16
14	Coastal Carolina University	R. Cathcart Smith Science Center Addition & Renovation	Renovation	\$ 45,000,000	149.83
15	Technical College of the Lowcountry	Buildings 6 & 8 Renovations	Renovation	\$ 2,107,000	145.99
16	Orangeburg-Calhoun Technical College	Automotive Training and Transportation Center	New Construction	\$ 1,040,000	140.16
17	USC - Lancaster	Campus Renovations	Renovation	\$ 4,110,000	138.83
18	USC - Salkehatchie	Walterboro Classroom Building & Science Building Renovation	Renovation/Replacement	\$ 2,442,960	135.33
19	Lander University	Jackson Library Renovation	Renovation	\$ 4,750,000	129.00
20	Francis Marion University	School of Education/School of Business Building Construction	New Construction	\$ 15,250,000	128.00
21	USC - Aiken	New Academic Building	New Construction	\$ 11,500,000	125.83
22	USC - Union	Facility Upgrades	Renovation	\$ 700,000	125.33
23	USC-Beaufort	USCB South Campus Classroom Building	New Construction	\$ 6,327,728	121.83
24	Williamsburg Technical College	Technology Building	New Construction	\$ 6,500,000	121.33
25	Spartanburg Technical College	Academic/Library Building Construction - Phase II	New Construction	\$ 9,000,000	117.83
26	Central Carolina Technical College	Health Sciences Building	Renovation	\$ 11,172,075	117.66
27	Florence-Darlington Technical College	Manufacturing Incubator Center	New Construction	\$ 2,880,000	112.83
28	Tri-County Technical College	Replace Clarke-McKissick Classroom Building - Main Campus	New Construction/Replacement	\$ 3,200,000	111.00
29	Northeastern Technical College	Campus Expansions/Renovations - Dillion Campus	Renovation/Expansion	\$ 1,000,000	86.00
30	Denmark Technical College	Renovation of Barnwell Facility	Renovation	\$ 657,567	69.83
31	Horry-Georgetown Technical College	General Purpose Classroom Building Conway	New Construction	\$ 12,000,000	62.50
32	York Technical College	Hood Center HVAC Replacement	Replacement	\$ 1,000,000	55.00
33	Greenville Technical College	Renovated Second Floor ARC for Classrooms	Renovation	\$ 4,575,000	54.00
Grand Total				\$ 406,712,263	